works out to 450.56%, as at the end of March 2004, according to the CAG's Finance Accounts of the State for the year 2003-04. This ratio is substantially higher than the bench mark level of 300%, for a general category State, to be considered as a debt stressed State, under the guidelines on debt sustainability analysis for States availing external loan assistance from bilateral and multilateral agencies.

(c) The total amount of ADB loan disbursed to Government of Kerala as on 31.5.2005 is US $ 200 million. This amount has gone to State as ACA. The principal is to be repaid by Government of India to ADB in 15 years, after an initial grace period of three years, at an interest rate of 60 basis points over six months US $ LIBOR. From the current financial year, Government of India has decided to pass on all such external loans on a 'back-to-back basis' to States.

(d) The ADB loan, a programme loan for 'Modernising Government and Fiscal Reforms in Kerala', has been designed to enhance the State's revenue and rationalize its expenditure, which are likely to set-off, increase in the fiscal deficit, if any, on account of availing the loan.

Financial assistance for infrastructure development in Karnataka

1655. SHRI K.B. KRISHNA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Karnataka has requested NABARD to extend the financial assistance for infrastructure development in 39 most backward taluks under Kaigarika Vikasa Scheme;

(b) if so, which are the taluks-identified for this purpose;

(c) the amount of financial assistance sought for; and

(d) the action, if any, taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. NABARD has not yet received any formal proposal from State Government of Karnataka for financial assistance under Kaigarika Vikasa Scheme for infrastructure development of backward districts.

(b) to (d) Do not arise.